

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
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IN THE MATTER OF INDIANA)
MICHIGAN POWER COMPANY AN)
INDIANA CORPORATION, FOR ALL)
NECESSARY AUTHORITY IN)
CONNECTION WITH THE)
ACQUISITION OF POLLUTION)
CONTROL FACILITIES BY AN)
INSTALLMENT SALE AGREEMENT)
WITH THE CITY OF)
LAWRENCEBURG, INDIANA.)

CAUSE NO. 34566
FILED

FEB 11 2005

INDIANA UTILITY
REGULATORY COMMISSION

You are hereby notified that, on this date, the Indiana Utility Regulatory Commission has caused the following entry to be made:

On December 8, 2004 Indiana Michigan Power Company ("I&M") filed a *Report of Indiana Michigan Power Company as to the Issue and Sale of \$52,000,000 Pollution Control Revenue Refunding Bonds, Series G, Due 2021*, with the Commission under this Cause. I&M stated that this report was "[p]ursuant to the requirements of ordering paragraph 5 of the Commission's Order in this Cause...dated July 9, 1976[.]" The language of that paragraph states that

within 30 days after the issue and delivery of the City's Bonds, Petitioner shall file with the Commission its written report signed by its chairman, president, or executive vice president, and by its treasurer or its assistant treasurer, showing the principal amounts of such delivery, the annual interest rate or rates on the City's Bonds, the discount or discounts on the proceeds thereof and the use made of the proceeds derived from issue and delivery of the City's Bonds, and [] that so long as any of the proceeds from the issuance and delivery of the City's Bonds have not yet been applied to the uses herein authorized, Petitioner shall, for each six months after the date of said initial report, file with the Commission in this cause a further report of Petitioner signed in a manner similar to the initial report, wherein Petitioner shall show, for the six months' period covered by such report, and cumulatively to the end of such reporting period, the facts as to the use made of the proceeds from the issue and delivery of the City's Bonds.

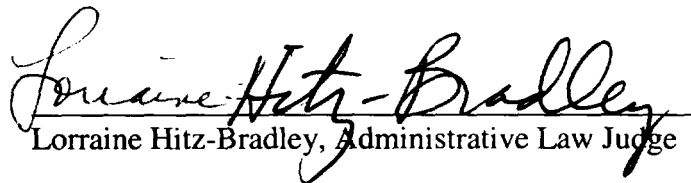
I&M has petitioned this Commission previously through docketed proceedings in situations similar to the one at issue here. In Cause No. 41922, the Commission gave

I&M approval for the refinancing of a number of bonds, including City of Lawrenceburg Pollution Control Revenue Bonds. *Final Order in Cause No. 41922*, (April 25, 2001) ¶2. Likewise, in Cause No. 42363, the Commission approved redemption by I&M of the same City of Lawrenceburg bonds. *Final Order in Cause No. 42363*, (April 16, 2003) ¶2. In numerous other causes, I&M petitioned the Commission for approval of financing and refinancing of existing debt. See, *Final Order in Cause No. 41526* (November 3, 1999) ¶2; *Final Order in Cause No. 41240* (September 29, 1998) ¶2; *Final Order in Cause No. 40278* (February 23, 1996) p. 2; *Final Order in Cause No. 39658* (April 7, 1993) ¶2. In some cases, I&M came to the Commission for approval of an extension of time for previously-granted issuing authority. See, *Order in Cause No. 39787* (May 4, 1994) ¶2; *Order in Cause No. 40696* (January 21, 1998) ¶1.

Pursuant to I.C. §§ 8-1-2-77, 78, 79 and 80, the Commission must examine an entities' financial health, its capitalization, and the facts and circumstances of the request before granting the authority regarding the sale of stocks and bonds. This cannot be accomplished through the filing of a report ostensibly made pursuant to the terms of the almost thirty-year-old order as presented in this Cause. Therefore, in order to ensure uniform regulatory treatment for all affected utilities, and to ensure I&M's compliance with the terms of all current statutory provisions, any future transactions of this nature should be filed as a newly docketed proceeding rather than as a report filed under this Cause.

IT IS SO ORDERED.

Date: 2/11/05


Lorraine Hitz-Bradley, Administrative Law Judge